

PATRICK J. LEAHY, VERMONT, CHAIRMAN

DIANNE FEINSTEIN, CALIFORNIA  
CHARLES E. SCHUMER, NEW YORK  
RICHARD J. DURBIN, ILLINOIS  
SHELDON WHITEHOUSE, RHODE ISLAND  
AMY KLOBUCHAR, MINNESOTA  
AL FRANKEN, MINNESOTA  
CHRISTOPHER A. COONS, DELAWARE  
RICHARD BLUMENTHAL, CONNECTICUT  
MAZIE HIRONO, HAWAII

CHARLES E. GRASSLEY, IOWA  
ORRIN G. HATCH, UTAH  
JEFF SESSIONS, ALABAMA  
LINDSEY O. GRAHAM, SOUTH CAROLINA  
JOHN CORNYN, TEXAS  
MICHAEL S. LEE, UTAH  
TED CRUZ, TEXAS  
JEFF FLAKE, ARIZONA

KRISTINE J. LUCIUS, *Chief Counsel and Staff Director*  
KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

## United States Senate

COMMITTEE ON THE JUDICIARY  
WASHINGTON, DC 20510-6275

May 23, 2014

531

The Honorable William J. Baer  
Assistant Attorney General for Antitrust  
United States Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

The Honorable Thomas Wheeler  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Baer and Chairman Wheeler:

As Chairman and Ranking Member of the Subcommittee on Antitrust, Competition Policy and Consumer Rights, we write regarding AT&T's proposed acquisition of DirecTV. This proposed transaction would result in additional consolidation in the market for pay television and may impact consumer welfare in that market and other markets in which the companies operate. For example, the companies currently compete with each other in 25 percent of the country, including in 10 of the top 20 markets. In addition, this merger, taken together with the recently announced merger between Comcast and Time Warner Cable, could potentially affect future innovation and technological advances, including the availability of online video distribution.

AT&T and DirecTV state that their merger will create a "competitive alternative to cable for consumers wanting a better bundle of top-quality broadband, video and mobile services, as well as a better customer experience and enhanced innovation." The companies further state that increased scale will allow the merged entity to realize cost synergies.

As you review this transaction, we believe it is important to validate and weigh these efficiencies against the potential competitive harms that could result from the transaction. As always, the key to analyzing any merger should be the effect it will have on consumers, including price, choice, quality of service, and innovation.

We plan to hold a Subcommittee hearing this summer to examine the important issues raised by this proposed merger and will follow up with you based on the evidence and testimony reviewed during that process. Thank you for your attention to this matter.

Sincerely,



Amy Klobuchar, Chairman  
Subcommittee on Antitrust,  
Competition Policy and Consumer Rights



Mike Lee, Ranking Member  
Subcommittee on Antitrust,  
Competition Policy and Consumer Rights



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 17, 2014

The Honorable Amy Klobuchar  
Chairman  
Subcommittee on Antitrust, Competition Policy and  
Consumer Rights  
Committee on the Judiciary  
United States Senate  
Washington, D.C. 20510

Dear Chairman Klobuchar:

Thank you for your letter regarding the reported purchase of DirecTV by AT&T. I appreciate your providing me with your views on this matter.

The Commission received the applications from the parties on June 11, 2014, and a docket for public comment has been opened. Formal comment periods have yet to be established. I assure you that we will conduct an open and transparent evaluation of the issues raised and provide the public and other interested parties with a full opportunity to participate.

As you might be aware, the Commission generally is tasked with reviewing the proposed transfer of any FCC license and/or authorization to determine if such transfer is in the public interest. Our review is separate – and our standard of review distinct – from those of the Department of Justice and the Federal Trade Commission, but the Commission staff does work closely with our colleagues in those agencies, as necessary and appropriate. Please let us know how we can be of assistance as you prepare for your upcoming Subcommittee hearing on these issues.

Thank you again for providing me with your views.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a horizontal line.

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

June 17, 2014

The Honorable Mike Lee  
Ranking Member  
Subcommittee on Antitrust, Competition Policy and  
Consumer Rights  
Committee on the Judiciary  
United States Senate  
Washington, D.C. 20510

Dear Ranking Member Lee:

Thank you for your letter regarding the reported purchase of DirecTV by AT&T. I appreciate your providing me with your views on this matter.

The Commission received the applications from the parties on June 11, 2014, and a docket for public comment has been opened. Formal comment periods have yet to be established. I assure you that we will conduct an open and transparent evaluation of the issues raised and provide the public and other interested parties with a full opportunity to participate.

As you might be aware, the Commission generally is tasked with reviewing the proposed transfer of any FCC license and/or authorization to determine if such transfer is in the public interest. Our review is separate – and our standard of review distinct – from those of the Department of Justice and the Federal Trade Commission, but the Commission staff does work closely with our colleagues in those agencies, as necessary and appropriate. Please let us know how we can be of assistance as you prepare for your upcoming Subcommittee hearing on these issues.

Thank you again for providing me with your views.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a stylized flourish at the end.

Tom Wheeler